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Legal Assistance Resource Center ♦ of Connecticut, Inc. ♦

44 Capitol Avenue, Suite 301 ♦ Hartford, Connecticut 06106
(860) 278-5688 x203 ♦ cell (860) 836-6355 ♦ fax (860) 278-2957 ♦ RPodolsky@LARCC.org

H.B. 5224 -- Urban Revitalization Program

Housing Committee public hearing -- March 8, 2012

Testimony of Raphael L. Podolsky

Recommended Committee action: APPROVAL OF THE BILL

We urge adoption of H.B. 5224. The bill proposes to create an Urban Revitalization Program by directing existing resources to targeted urban neighborhoods struggling with blight, and particularly with blight resulting from abandonment, vacancy, and foreclosure.

- * One goal of the program is to revive cities neighborhood-by-neighborhood or block-by-block and not just building-by-building. The difference is that a neighborhood- or block-based approach encourages a kind of synergy in which an area, rather than a single building, is revitalized. The concentrated focus produces a greater collateral impact and makes it easier to bring in private non-governmental resources.
- * A second goal is to use homeownership as a key mechanism for promoting long-run neighborhood revival and stability. The bill puts an emphasis on owner occupancy in two- to four-family homes, which are often the predominant type of housing in these neighborhoods. Indeed, neighborhoods with smaller buildings may be the best candidates for revitalization efforts.
- * A third goal is to make neighborhood revitalization sustainable over time by incorporating post-purchase support services to property owners. This is particularly important for first-time homebuyers of multi-family housing. In this sense, the bill can tie to programs such as the Rental Housing Revolving Loan Fund under C.G.S. 8-37vv, which also focuses on two- to four-family buildings.
- * A fourth goal is to promote the use of existing public funds to support neighborhood revitalization and to use those funds to leverage other funding sources, both public and private. H.B. 5224 neither bonds nor appropriates any new money. It instead directs CHFA and DECD to use the entire range of their programs as needed to accomplish a neighborhood revitalization goal and to make link to programs in other agencies as well. In addition, private funding may be leveraged from banks (especially for Community Reinvestment Act credits), investors, entities that use tax credit programs, and similar private sources.

In light of the Governor's allocation of housing bond funds to DECD, his plan to create an Office of Housing with a Deputy Commissioner for Housing within DECD, and the likely transfer of DSS housing programs to DECD, we suggest that the Housing Committee consider placing the program proposed by H.B. 5224 in DECD, rather than in CHFA.